

STATEMENT OF PURPOSE

RS21098C1

The purpose of this legislation is to fill a gap in the safety jurisdiction over "gathering lines" in Idaho by providing such jurisdiction to the PUC. Gathering lines are pipelines and other fixtures used to transport, deliver, or distribute natural gas or crude oil from a well-head to ultimately a transmission line or mainline. As the natural gas fields in Idaho are developed, it was discovered that no local, state or federal agency had safety jurisdiction over gathering lines. The federal Pipeline Hazardous Material Safety Administration (PHMSA) does not exert safety jurisdiction over gathering lines until gas is delivered to the interstate pipeline system. And, although the PUC has authority to regulate natural gas utilities, such regulation arises only where the natural gas is delivered and sold "to the public"; with gathering lines, gas may be sold or delivered to a single entity. The PUC currently has two federally-certified pipeline safety inspectors. The PUC has already adopted the industry safety standards for pipeline constructions, operation, and maintenance.

FISCAL NOTE

There is no impact to the State General Fund because the PUC is a dedicated fund agency. The PUC's expenses devoted to the safety supervision and regulation of pipelines will be recovered through an assessment levied on each pipeline corporation.

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